



0000071280

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED
AT CORP COMMISSION

Nov 8 11 27 AM '96

RENZ D. JENNINGS
Chairman
MARCIA WEEKS
Commissioner
CARL J. KUNASEK
Commissioner

Arizona Corporation Commission

DOCKETED

DOCUMENT CONTROL

NOV 08 1996

DOCKETED BY

IN THE MATTER OF:
RESTRUCTURING OF ARIZONA'S
ELECTRIC INDUSTRY

DOCKET NO. U-0000-94-165

)
)
)
) THE ARIZONA ASSOCIATION
) OF INDUSTRIES, THE ARIZONA
) FOOD MARKETING ALLIANCE,
) THE ARIZONA MULTIHousing
) ASSOCIATION, THE ARIZONA
) HOTEL AND MOTEL
) ASSOCIATION, THE ARIZONA
) RETAILERS ASSOCIATION AND
) THE NATIONAL FEDERATION OF
) INDEPENDENT BUSINESS,
) RESPECTFULLY PROVIDE THESE
) COMMENTS ON THE ARIZONA
) CORPORATION COMMISSION'S
) RULES ON ELECTRIC INDUSTRY
) RESTRUCTURING

The above listed Arizona organizations together formed the Public Interest Coalition on Energy (Coalition) representing over 12,000 customers in 1996 to advance the implementation of competition in the electric utility industry in Arizona.

This Coalition is comprised of customers located throughout Arizona that are served by every major utility in Arizona.

The Coalition provided comments to the questions posed by the staff of the Arizona Corporation Commission (ACC) on June 28, 1996, participated in the ACC workshops in 1995 and 1996, provided comments on the ACC's proposed rules on electric utility competition on September 12th, and participated in the Commission's hearings considering the proposed rules.

The Coalition compliments the Commission for moving forward in an expeditious manner and supports the spirit and general direction of the Commission in pursuing electric competition in Arizona.

As is indicated in the record of comments and workshop summaries, the Coalition does not agree with every feature of the proposed rules. These differences notwithstanding, the Coalition recognizes that the proposed rules represent a framework in which the electric industry restructuring process can move forward in an orderly manner.

The Coalition applauds the Commission's efforts to move the electric industry to competitive choice for all customers in Arizona, and recommends adoption of the rules proposed by the Arizona Corporation Commission.

The proposed rules and the Commission's discussion of the rules in October hearings also contain other important features which the Coalition notes.

1. The proposed rules provide a framework for phasing in retail competition in Arizona. Within this context, it is clear from the comments made by the Commission and from the staff's report of October 4, 1996 that it is the intent of the Commission to hold evidentiary hearings to resolve important issues raised by participants to the ACC process. The Coalition supports this approach, so long as the phase-in timeliness in the proposal rule are maintained or accelerated.

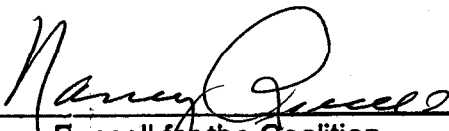
2. The proposed rules establish dates for implementation of competition which force the parties to work diligently in order to implement competition.

3. The proposed rules invite the inclusion of non-public service corporations in the competitive market, to the extent such inclusion is allowed or to the extent that such entities volunteer to be included in competitive reform. The Coalition reiterates its comments filed on June 28th regarding inclusion of non public service corporation electric providers as follows:

"The Commission and Legislature should seek to design a system based on reciprocity among utilities within Arizona. However, the absence of such resolution should not delay the introduction of competition from power marketers or out-of-state utilities as generation suppliers. Similarly, the Commission should not interfere with any non-public service corporation which voluntarily participates in competitive, comparable programs by making its service territory available to competing sellers."

In closing, the Coalition believes that the ACC has done a commendable job in moving forward to lay out a framework for competition and on solving the issues associated with competition in the electric industry. As the Commission considers its final vote on the proposed rule, it is important to the Coalition that the process move forward and all customers, utilities, and other power suppliers be able to participate in competitive markets. The Coalition looks forward to working diligently with the Commission and other stakeholders to ensure that a vibrant competitive market exists throughout Arizona.

On behalf of the Public Interest Coalition on Energy we are respectfully submitting these comments.


Nancy Russell for the Coalition